

Advertising Age

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\$1 a copy; \$40 a year The International Newspaper of Marketing • In Two Sections, Section 1. August 9, 1982

P&G rumor blitz looks like a bomb

Procter & Gamble Co.'s massive national publicity campaign to defuse rumors that it is in league with the devil—a campaign of perhaps unprecedented scope in U.S. marketing—was largely unnecessary and ineffective in reaching people who might believe the rumors, according to a national survey commissioned by *Advertising Age*.

The principal effect of the campaign, the survey suggests, has been to increase awareness of the rumors—and of P&G's vigorous denials of them—among people who were disinclined to believe the "devil worship" stories anyway.

The survey, and concurrent *Ad Age* interviews with dozens of grocery-products retailers, wholesalers, buyers and others, also indicates that, contrary to P&G allegations in the five lawsuits it has filed against alleged rumormongers, the rumors have had minimal effect on its sales and reputation.

The "costly public relations campaign nationwide" that P&G says it has undertaken may be in itself harmless; there appears to

be little danger of the strategy backfiring and causing more people to believe the rumors, for example. Yet the whole affair does raise the question of whether the usually coolly analytic marketer overreacted to a rumor that all but a small minority of Americans seem to dismiss on its face. The lesson for other marketers, the data and some observers of the P&G reaction suggest: Look to P&G to write the rules on selling toothpaste and disposable diapers, but not necessarily for guidance on dealing with rumors.

There is one facet of the matter that some people suggest could yet make it something other than a bizarre footnote in the annals of marketing. That is what the P&G reaction might portend about the leadership of John G. Smale, P&G's chief executive since early last year, who supposedly is injecting a new aggressiveness into the company. "The decision to go public sounds to me like a John Smale special," said Hercules Segalas, (Continued on Page 68)

P&G and the Devil

Highlights of an exclusive Advertising Age survey

Per cent of all Americans aware of rumors:			
United States - 32%		South - 42%	
Main source of awareness:			
United States - Newspapers - 34%		South - Word of mouth/in church - 32%	
Per cent of those aware of rumor who believe it:			
United States - 3%		South - 5%	
Buying habits of those who are aware:			
Buying fewer P&G products - 5%		Buying same - 94%	Buying more - 1%
Per cent who have heard P&G denials:			
Believe/unsure of truth - 53%		Nonbelievers - 83%	
Per cent who are aware of P&G products:			
Could not name one - 79%		"Never buy" - 6%	

last minute news

Southwest Media's Allison to run new N.Y. unit

NEW YORK—Wick Allison, 34, president of Dallas-based Southwest Media Corp., is moving here to head a new, as-yet-unnamed division. Mr. Allison's primary responsibilities will involve SMC's *Sport* magazine and the possible acquisition of other national magazines. Mr. Allison leaves the presidency of SMC and the management of its other magazines (*D*, *Houston City*, *Texas Homes*) to Bernard Kraft, 40, exec vp. Reports that Mr. Allison is being eased out after a power struggle were denied by Mr. Allison and SMC director Carl Sewell. "It was a personal decision," Mr. Allison said.

Nestle tries again with revamped Sunrise

WHITE PLAINS, N.Y.—Nestle Corp. will introduce a reformulated and newly packaged version of Sunrise, its coffee mellowed with chicory. Ads by J. Walter Thompson USA will break this fall. Budget undisclosed.

FDA getting tough with starch blocker makers

WASHINGTON—The FDA said last week that some companies producing starch blockers, the controversial new fad diet product, are intentionally disseminating false information about the government's position. FDA has told 263 companies to stop marketing the pills and provide the agency with data on safety and efficacy (AA, June 21, et seq.). It said some com- (Continued on Page 8)

In Del Monte, Libby vegetable lines

Salted items take a licking

By CHUCK REECE

NEW YORK—S.S. Pierce Corp. and Del Monte Corp., seeking to capitalize on Americans' growing concern about sodium consumption, are rolling out lines of canned vegetables without added salt—and without test market experience.

While Del Monte, according to president Robert Fox, aims for its No Salt Added line to "comple-

ment rather than compete with" its regular canned vegetables, S.S. Pierce's Libby's has made a more drastic move: It is converting its entire line of canned vegetables to no-salt and no-sugar-added products called Libby's Natural Pack. The only exceptions are items such as pickled beets and sauerkraut, which require sugar and salt in their recipes. These will be called Libby's Deli-Pack.

Libby's Natural Pack line has 12

products in 35 styles and unit sizes, including peas, corn, green beans, wax and lima beans, beets, mushrooms, carrots and spinach.

Del Monte's No Salt Added line

Morton asks fewer restrictions on its Lite Salt. . . See Page 54.

has five products—corn, peas, green beans and tomato sauce and paste—in 14 varieties or sizes, each, except the tomato products, with less than 10mg of sodium per half-cup serving. Typical canned vegetables have around 350mg of sodium per half-cup.

The company's vp for corporate research and technical services, D.L. Meggison, said the No Salt Added line would have a lower (Continued on Page 70)

Ad hoc net if players strike NFL

Turner plots grid league

By SUSAN SPILLMAN

NEW YORK—Flamboyant opportunist Ted Turner struck again last week, this time capitalizing on the possibility of a National Football League Players Assn. strike.

In the event of a players' walk-out, Mr. Turner's superstation WTBS plans to form an ad hoc network and hopes to distribute games to stations in every tv market. Between six and eight regional teams would be formed by top NFL players.

The accord reached with the NFL Players Assn. calls for the telecast of a prime time Monday night and a Sunday afternoon game weekly throughout the season. Mr. Turner, optimistic of clearing 100% of the country with

his offer, expects to get \$150,000 per 30-second spot, the same price charged by ABC for its Monday night games and \$50,000 more than the going rate for NBC's Sunday afternoon football coverage.

If the union does form its own teams for telecast on WTBS, the NFL will sue the players, said league spokesman Jim Miller. He said individual player contracts, prohibiting them from playing football for any other club, are binding despite a strike.

Agency executives contacted by *Advertising Age* were amused by Mr. Turner's expectations and feel a strike may not occur.

Some agency executives contacted by WTBS salesmen said the superstation was hoping to work out package deals for spots on its

National Collegiate Athletic Assn. football series, reportedly due to disappointingly sluggish ad sales.

In February, WTBS paid a whopping \$17.6 million for the first live cable coverage of NCAA football.

At press time, details of the deal between the players and Mr. Turner had not been finalized but were supposed to be ironed out during the weekend. A press conference tentatively is scheduled in Washington for Tuesday.

Ed Garvey, NFL Players Assn. executive director, however, said WTBS would guarantee the players a yet-to-be determined rights fee in addition to a percentage of the ad revenues.

Unaware that Mr. Turner had (Continued on Page 70)

A healthful glassful!



We got culture

Alta-Dena Certified Dairy, City of Industry, Cal., is using color ads for Kefir, a cultured milk product in eight flavors, in August issues of health food publications and September issues of consumer magazines. The campaign includes radio, via Solemone & Associates, Dallas.

NEWSPAPER

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FULL BOARD ACTS TODAY

NAB committee picks Thurston

By MAURINE CHRISTOPHER and ROBERT COOK

At stake is the presidency of the National Assn. of Broadcasters, potentially one of the most influential and high-profile positions in the communications industry.

If the 48-member board of the \$9 million lobbying outfit endorses the work of its search committee, Donald Thurston, owner of Berkshire Broadcasting, North Adams, Mass., will capture the prize today at a meeting at the O'Hare Hilton outside Chicago.

Last week, the 52-year-old radio executive, who learned trade association politics as NAB chairman in 1977-78, took the preliminary contest when the search committee, led by Gert Schmidt, Harte-Hanks Communications, Jackson-

ville, and William Stakelin, Bluegrass Broadcasting, Orlando, chose Mr. Thurston over another small-market broadcaster, Edward O. Fritts, 41, head of Fritts Broadcasting, Indianola, Miss. Mr. Fritts, the incumbent joint board chairman, temporarily gave up that \$50,000 short-term chairmanship July 23 to bid for the \$200,000 fulltime presidency.

The Thurston forces emerged victorious from the search committee after a long, tiring session and two crucial votes. First, the committee voted to recommend a single candidate to the board from a list of seven finalists. Then the 12 members wrote their choices for the person to be recommended on another ballot.

Mr. Thurston won this ballot by (Continued on Page 66)



Diet Coke's street scenes

Introductory tv spot for Diet Coke in New York includes street scenes and cameo appearances by "Taxi's" Judd Hirsch (top right) and former hockey star Phil Esposito (center right). (See Story on Page 65.)



Cuts spur grumbling on Gannett papers

By STUART EMMRICH

New York—While Gannett Co. pushes toward the Sept. 15 introduction of *USA Today*, a national newspaper that will cost the company an estimated \$20 million this year and \$35 million the next, papers throughout the Gannett chain are being told to slice their operating costs and improve profit margins.

Hiring freezes have been imposed, staffs have been stretched thin, travel budgets have been cut, news holes have been reduced, raises are becoming scarcer and less generous and papers are being asked to cut corners any way they can, according to a number of

Gannett staffers in New York, Indiana, New Jersey, Florida, Mississippi and Ohio.

"We are being asked to be lean and hungry again," an editor at a Gannett paper in New York recently told his staff.

Although Gannett staffers say they would be reluctant to state that their papers are being "bled" to provide financing for *USA Today*, the juxtaposition of the cutbacks throughout the chain and the very visible millions of dollars being pumped into the new national paper have caused substantial morale problems at Gannett.

"I'm not sure that some of these cuts aren't just coincidental—what with the economy the way it is—

but the more cynical of us believe that the emphasis is on *USA Today* and the rest of us be damned," one Gannett staffer said.

Feeding that suspicion are the resources that are being diverted to *USA Today* at the expense of the chain's other papers. Of the about 220 editorial staffers who have joined the national newspaper, 75% have come from Gannett papers. And those papers' execs say they are being asked to "eat" those positions; the lost staffers cannot be replaced and the individual newspapers must continue to pay their salaries for up to six months, they complain.

The papers also are being asked to contribute a share of their news-

print to provide a supply for the new paper, a contribution that further is reducing a sometimes skimpy news hole, staffers say.

"If you look at any Gannett paper these days, there is not much of a news hole, but ours was small to begin with and getting smaller all the time," said an editor who just left an upstate New York paper.

"Our news hole just shrunk this spring and has stayed that way ever since," echoed a reporter on a Gannett paper in New Jersey, who worried that staffing and news hole cuts could lead to a loss of readers who might never be won back.

Gannett executives deny that re-

ductions in operating costs at the chain's newspapers are related directly to *USA Today*, but say they are tied more closely to the economy and financial conditions at individual papers. They acknowledge, however, that the introduction of *USA Today* might have made those budget cuts a bit more urgent.

"The over-all financial strength of a company is important when you are starting up a new enterprise. Everyone is trying to maximize revenues and minimize expenses," a Gannett spokesman said. "Trying to cut expenses wherever possible is an ongoing process at Gannett that perhaps has been (Continued on Page 70)

highlights

Monday, August 9, 1982

Time Inc. will decide by Labor Day whether it will launch its long-planned cable tv magazine, according to publishing and cable industry sources. See Page 6.

The American Assn. of Advertising Agencies reports a trend that it likes: Advertisers are moving larger accounts from in-house to outside agencies. See Page 6.

Republicans are seeking new ad strategies as the result of a study analyzing negative advertising and the best defense against it. See Page 10.

General Motors execs are not optimistic about the possibility of a strong upturn in 1983 auto sales in light of the general economy. See Page 12.

Gambling Times magazine is trying to obtain working capital by selling stock on the over-the-counter market to the public. See Page 12.

After months of negotiations, Chipwich Inc. has settled its differences with its former marketing arm, Premium Products Sales Corp. See Page 14.

Pan Am's introduction of WorldPass has not caused any change in the bonus-for-mileage programs—at least not immediately. See Page 14.

The mutual fund industry, charging deception in bank ads on an unprecedented scale, has appealed to the SEC to intervene. See Page 20.

M&M/Mars is replaying its "bigger-is-better" ad pitch, once again increasing weights of its single candy bars without raising prices. See Page 24.

MortonNorwich is asking the FTC to review its 1975 order calling for restrictions and warnings in ads for their Morton Lite Salt Mixture. See Page 54.

Observers are anticipating further shakeups at Midway Airlines after its new chief exec reviews the airlines operations. See Page 55.

The new law that will regulate radio and tv in Socialist France does little to end confusion over the government's ambivalent attitude toward advertising. See Page 64.

A multimedia ad campaign by the French government attempting to win over a public unhappy with recent wage and price controls is under attack by opposition parties. See Page 64.

CORPORATE CLOSEUP

After a 27.2% rise in sales

compared with last year, Italy's Olivetti is adopting an aggressive strategy to turn around several years of disappointing U.S. returns. See Page 4.

VIDEOTECH

CBS Entertainment has nearly completed its backup programming that will replace failed series on next year's regular schedule. See Page 44.

The producers of Public Broadcasting's "MacNeil-Lehrer Report" have pooled their resources for a modest ad campaign into America's heartland to increase the show's visibility. See Page 44.

A new production unit of Reeves Communications is planning to focus on the videotaping of stage plays as specials for cable tv. See Page 54.

MAGAZINE

Over the years, packaging has gained in marketing prominence, influenced by mass-merchandising outlets and a consumer attitude of buy-what-I-see. See Page M-5.

Get a jump on the early warning signs that indicate you could lose an account, cautions agency exec John Siddall in this week's Small Agency Panel. See Page M-15.

SPECIAL REPORT

The marketing of maps is dominated by Rand McNally and Hammond, and the two cartographers are now mapping out their own niches in premium and incentive strategies. See Page M-5.

REGULAR FEATURES

ACCOUNT CHANGES	62
ADBEAT	59
ADVERTISER PEOPLE	42
ADVERTISING MARKETPLACE	57
AGENCY PEOPLE	63
BOOKS IN BRIEF	61
CONSIDERATIONS	16
CORRECTIONS & CLARIFICATIONS	6
EDITORIAL VIEWPOINT	16
FOR THE RECORD	65
MEDIA PEOPLE	62

NEW AD RATES	36
OBITUARIES	70
PHOTO REVIEW	34
PRESSTIME	8
REGIONAL NEWS	46
VIDEOTECH UPDATE	50
VOICE OF THE ADVERTISER	56
WASHINGTON BEAT	40
WEST COAST UPDATE	61
WORLD NEWS ROUNDUP	3

Vol. 53, No. 33—ADVERTISING AGE (ISSN 0001-5899) is published weekly except semi-weekly the fourth week in March, the second week in September at 733 Rush Street, Chicago, IL 60611. Second-class postage paid at Chicago and additional mailing offices. Send address changes to ADVERTISING AGE, Circulation Department, 740 Rush Street, Chicago, IL 60611.

Kellogg to try upscale yogurt line

By JANET NEIMAN

Kellogg Co. is about to shake up the yogurt industry once again with the introduction of what is being touted as the highest quality yogurt available.

Whitney's yogurt, now entering test markets in the Baltimore/Washington area, is an upscale nine-item line of yogurt with real fruit in its own juice. The product will sell around 65¢ for a 6-oz. serving. The product and its name were internally developed by Kellogg, according to the company.

Area retailers see Whitney's potential for expanding the \$371 million yogurt market.

One retailer noted that Whitney's "may not take the place of [No. 1-ranked] Dannon for people who really like the Dannon-type of bite. This is more like a custard. People who don't like yogurt normally will love this."

Buyers say they don't intend to eliminate any existing brands from their shelves to add Whitney's. The new line, one source noted, "isn't replacing anything, it's bringing in new users." He likens the entry to that of French-style yogurts, which debuted after the yogurt (Continued on Page 66)

Ad Age poll tallies active shoppers

Amid gloom, many hot prospects

By LEO J. SHAPIRO
and DWIGHT BOHMBACH

Coming into the last half of 1982, our ADVERTISING AGE National Poll finds consumers generally wary about committing to major purchases. But they are far from panicky. Even though the per cent of those who feel secure enough to plan to buy new cars, housing, appliances, carpets, color TVs and other major goods in the year ahead is low, it's still within limits of the range we've seen these last three years.

The most positive news for business, easy to miss amid the general gloom, is that, sifting through the mass of consumers across the nation, very large numbers of prospects actively are shopping for major goods today. For example, during a typical month in the first half of 1982, as many as 6 million Americans actively shopped for new cars, read ads, compared models and prices or visited dealers. As many as 12 million actively shopped for other big-ticket items for their homes: Major appliances, color TVs, stereos, carpeting.

These "liveliest prospects"—the consumers who can turn the economy if they go ahead and buy—are not only different from the mass of Americans in terms of demographics; they also are different in how they view their own finances and the nation's economy.

Selling in a buyer's market

In gauging the direction of an economy where many consumers have resources but have mislaid their urgency to buy, it's prudent to focus on those consumers who are the hottest prospects. Consumers who plan to buy in the coming year can be separated into:

ACTIVE PROSPECTS: Already shopping; reading ads, comparing prices, features and models, visiting dealers.

PASSIVE PROSPECTS: Planning to buy in the coming year but not doing anything now.

What is significant about the figures on consumer purchase plans and shopping for new cars, housing, furniture and other major items in the accompanying chart is this: They indicate a potential market large enough to support explosive growth in the economy.

It should be emphasized that these data show only the degree of consumers' willingness to buy. They don't show sellers' ability or willingness to shape deals that will convert willing prospects to buyers. It takes "two to tango"—a prospect willing to buy and a seller with the right product and deal. These figures on consumer purchase plans and shopping activity are not estimates of future sales. In

Six companies honored for marketing motivation

UNION, N.J.—National Premium Sales Executives has selected six companies as winners of its Marketing Motivation Awards to be presented at the National Premium/Incentive Show in Chicago Oct. 11.

Castle & Cooke Foods, San Francisco; Hunt-Wesson Foods, Fullerton, Cal.; and Union Trust Co. of Connecticut are the winners in the consumer promotion category. In the trade incentives category, the top awards go to Fram Corp., East Providence, R.I.; Fuller Brush Co., North Kansas City, Mo.; and Home Box Office, New York. NPSE has given the awards, previously called the Incentive Showcase Awards, since 1962.

Consumers' willingness to buy

Item	Per cent who plan to buy	Per cent who are actively looking	People actively looking as a per cent of people who plan to buy
House	7.4%	4.9%	66%
New car	13.5%	6.6%	49%
Used car	16.4%	6.6%	40%
Furniture	16.2%	7.0%	43%
Major appliances	8.4%	3.6%	43%
Stereo/hi-fi	5.7%	2.8%	49%
Color tv	5.7%	2.3%	40%
Air travel	21.3%	10.5%	49%
New carpeting	9.7%	4.7%	48%

Source: Leo J. Shapiro & Associates, Inc.
Interviews with a national sample of 1,354 men and women conducted in April, May and June 1982

the last analysis, sales always depend on sellers.

Start with demographics

To see what sort of people are the hottest prospects, let's take the widely watched market for new cars as a case in point.

Demographics clearly can help locate the active car prospects.

It probably won't come as any great revelation to learn that consumers planning to buy a new car (whether active or passive planners) are differentiated from the general population on bases of occupation, income, age, sex and the demographic data. For example, planners are almost twice as likely to be professionals than the average consumers. Active planners include almost three times the national norm of people with income over \$40,000. Also, people planning to buy a new car are likely to have children under the age of three; but, this same group of parents with young children is overrepresented among active planners and underrepresented among passive planners.

Focus on emotions

The key differences between passive and "hot" prospects are not only demographic but are also largely emotional. It's how consumers feel—about themselves and about the world—that separates passive from active new car prospects.

Let's look at how these active shoppers for new cars view themselves and the world in the midst of the current recession.

Active planners are more confident: Basically, active new car planners are full of optimism about both the national economy and their own financial outlook. They are much more likely to expect the economy to improve in the year ahead (53%) than are members of the general population (38%). And active planners are even more likely to be optimistic for the economy (57%).

California agencies join to form Anderson/Miller

SAN FRANCISCO—California Foods Communications, a foodservice advertising agency, and sales promotion agency Miller Communications have merged to form Anderson/Miller Communications. California Foods president Norm Anderson has been made president-chief executive officer of the new company, and Frederic S. Miller has been made exec vp and general manager.

Anderson/Miller Communications is located at the former California Foods offices at 846 California St., 94108.

As for their own finances, active planners are much more likely to expect more real income for saving or spending in the year ahead (50%) than are passive planners (36%) or Americans generally (28%). And why shouldn't "winners" be this optimistic? Half of the active planners (50%) say they're better off financially now than they were a year ago. Is it any wonder that these are the consumers most optimistic about their prospects in the year to come? Seven in 10 active planners expect to be better off in 1983, compared with only about four in 10 Americans on average. Success breeds dreams of more success.

Active planners worry less about inflation: People who are actively planning to buy a new car also take a different view of the nation's major problems from that of other Americans. Forty-one per

cent of all Americans spontaneously name inflation as a "major national problem." Among those planning to buy a new car, only 36% are concerned about inflation; even fewer (33%) among the active planners. Advising new car prospects to "buy now while the prices are down," and offering "low, low interest," may tell these prime prospects about something that doesn't concern them a great deal unless they feel the car offered has the features they want. Otherwise, as Honda advertising advises, they can conclude that it "pays to wait."

Active planners are more ready to spend, borrow, buy: Even in today's recessionary economy, active planners are not only freer about planning for major purchases, but also freer in spending than either Americans generally or passive planners.

For example, while most Americans (51%) cut back on family spending for consumables in the first half of 1982, only 35% of active new car planners cut back. In terms of big-ticket expenditures, they also are more likely than most Americans to believe "now is a good time to make some major purchases" and more likely to have something specific in mind to buy at current prices.

Since they take a positive view of the future for both themselves and the nation's economy, it's not surprising to find that people actively planning to buy a new car are more than twice as ready to use their credit or borrow money for a major purchase as the average American; also they are much more inclined to borrow now than are passive planners. In the year ahead, one in three active planners (33%) expects to take on additional debt, a proportion almost twice as

high as Americans generally (16%).

These optimistic, expansionistic active new car prospects not only have a new set of wheels in mind—they want a lot of the "good things of life," as they see it. Active new car planners also are more likely than Americans generally—even passive planners—to be planning and actively shopping for other big-ticket goods: A house, used car, furniture, major appliances, stereo, color tv, air travel and carpeting.

When you're a "winner," even in a recession, all things seem accessible and possible. Active new car prospects, for example, are more than twice as likely as consumers nationally to be shopping actively for a house, while the per cent of passive new car prospects actively shopping for a house is exactly at the national norm. But the reality is that the buying power of "actives" has limits. If they buy one item, they are not likely to buy another as well. So, in projecting sales, remember that active shoppers spend their money twice or three times in their imagination before actually committing to a purchase.

Looking ahead

America has massive unused production capacity; millions of trained workers eager to go to work again; a huge backlog of needs and buying power in households that have been holding back too long.

In spite of the economic gloom across the country during second quarter 1982, there are enough consumers actively rehearsing major purchases to spark enormous sales increases—not only for individual companies, but for the national economy.

Second-quarter poll results

Recession, unemployment cause greatest concern to consumers

Why are consumers in the second quarter of 1982 generally so wary about committing to major spending? Concern over the national economy, for one thing. Regardless of hopeful sounds emanating from high places, two in three Americans believe "things are getting worse for the nation." Six in ten don't expect the economy to get any better in the coming year. Four in ten expect it to get even worse.

Worry about employment also is making consumers wary. When we ask people to name the nation's major problems, nearly half (47%) now spontaneously mention "unemployment and recession." This is not academic: As the second quarter ended in June, more than one-third of the people we talked with nationally (38%) were expecting that they, or someone else in their family, would lose a job, be laid off or have hours, pay or commissions cut in the next few months. This is the highest level of individual concern about jobs we've seen since starting these national measurements seven years ago.

On the other hand, in spite of these worries, most Americans feel themselves in pretty fair financial shape personally. They also are encouraged by the fact that, by careful managing, they've kept their own financial balance so far, even

in an increasingly shaky economy. Seven in ten have seen their financial balance improve (28%) or at least hold even (40%) in the past year. As they look ahead, eight in ten expect to be in better financial shape (44%) or at least as well off (36%) a year from now.

More than nine in ten Americans (92%) still expect to have as much income (43%) or even more (45%) next year. Only 8% expect to have less. And even though the annual inflation rate crept up again as the second quarter ended, the over-all easing of inflation has been a tonic for consumers. Four in ten (42%) now find themselves with money left over for saving at the end of the month. About three in ten (27%) expect to increase family savings in the year ahead.

Creating a buyer's market

As we contrast how Americans feel about their own finances in the second quarter of 1982 with how they felt in the same quarter last year, it's striking to see relatively little change in their confidence about managing their finances in the face of a troubled economy. The number of consumers who, in the second quarter of 1981, expected to maintain or improve their financial balance (85%) is roughly equal to the number (83%) feeling the same way in the second quarter of 1982.

Both in 1981 and 1982, when

consumers think about the nation's problems, three in four spontaneously talked about economic troubles. The big difference is that in the past year, consumers have replaced fear of inflation with fear of recession and unemployment. Asked to name the major problems facing the nation, sharply fewer spontaneously name inflation in 1982 (35%) than in 1981 (52%) and sharply more spontaneously name recession/unemployment (46%) as a major problem in 1982 than in 1981 (20%).

Consumers exchanging fears of inflation for those of unemployment have been ruinous for retailers and manufacturers of major goods. Consumers' strategy for managing during inflation is to buy housing, cars and other major goods before prices and interest rates go higher and the buying opportunities are lost. Their strategy in time of recession is to "sit tight and don't stick your neck out." As a result, the great mass of consumers have been playing a "waiting game" on major purchases for the past year.

By now, most consumers seem to accept troubled economic times as a way of life. They're settling in to live with recession as comfortably as possible while deferring major purchases. Only 16% say they expect their total indebtedness to grow in the year ahead.

Deep beliefs move anti-Satan groups

In a small town in the Southwest, an area of high plains, corn and cattle, the Fundamentalist Christian movement is as strong as the thousands of sunflowers waving in the hot dry breeze.

Some people in this community feel deeply enough about the alleged connection between Procter & Gamble's logo and Satan to print and distribute copies of a leaflet warning their neighbors not to buy P&G products. A young woman there, a member of a family that has engaged in this activity, defied the warnings of her elders to talk about her religious beliefs, Satan and Procter & Gamble.

She herself had been a member of a religious cult, which she now believes to be satanic, before she became a "good Christian." She said God spoke to her and told her to be interviewed. The reporter, not being a believer, presented an evangelistic opportunity.

"I don't know if Procter & Gamble is a satanic company, but I know their logo is satanic. That's no man in the moon, that's a ram's head," she said. The ram, these Christians believe, is one form Satan takes when he shows himself on earth. The stars in the logo have been connected with lines to show the "666" symbol, which is "the mark of the beast" according to their interpretation of a verse in the 13th chapter of the Book of Revelation.

"People who are into satanism use symbols to conjure up Satan as a living being," the young woman explained. "I've seen it done."

The main point for this articulate, bright-eyed young woman and others of her belief is, "You either work for one or the other." Or as she stressed later in the conversation, "There are two forces, that's it!" The forces, as she sees them, are God or Satan.

Some official of P&G, she believes, really did go on the "Merv Griffin Show" and tell of his deal with Satan. She didn't see it, but she knows someone, whose name she wouldn't reveal, who did. She feels a company like Amway, "a Christian company run on Christian principles" is more appropriate for her support.

But Procter & Gamble is not the only institution Christians are being directed to shun. Widely read books and newsletters available in Christian bookstores reveal a doctrine that warns believers to steer clear of any connection with the symbol "666."

The basis for this theme, according to a woman who operates a Christian bookstore in this southwestern town, lies in the belief that Jesus is coming back. Before this can happen, believers say, there will be a seven-year period of adversity, brought about by the Antichrist. In a melding of religious and secular philosophy, the doctrine is being communicated in this way: The Jews, because they did not accept Christ as the Messiah, will be deceived by Satan in the form of a person who will be heralded as the Messiah. This person eventually will become the leader of a unified world, and is referred to in some writings as "the World Dictator."

Basing their belief on a very literal interpretation of Revelation, the doctrine says the World Dictator will require people to carry the mark "666" either on their right hand or their forehead in order to buy food and other necessities. But Christians are told in the Bible not to accept the mark, or they cannot be saved, the believers feel.

A book "When Your Money Fails" by Mary Stewart Relfe, a best seller in the religious market, spells out the scenario. The book opens with the quotation from Revelation 13:18: "Let him that hath understanding count the number of the beast: For it is the number of a man; and his number is six hundred three-score and six."

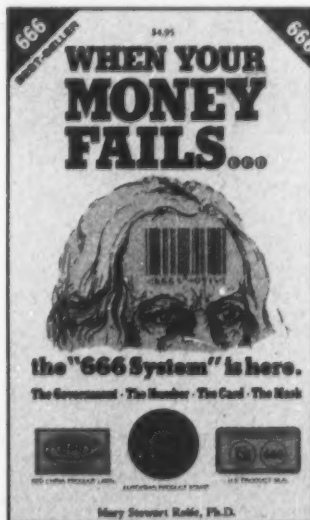
"The poignant question facing us is how long will it be before we in the United States and the world must use his number '666' with which to buy and sell? ... This is no gimmick! We are already using it," it says.

It advises that "all commerce will be conducted in the near future with a number, a name or an identifying mark in the hand or forehead," and that Christians "cannot take the mark."

This author and others like her contend that the "666" mark is already being used, in preparation for this time, by many companies, governments, etc. A few of the examples (there are 40 instances cited) include the World Bank code number; Australia's national bank code; the prefix to J.C. Penney Co. charge account numbers, and the overseas telephone operator number for Israel. The Universal Product Code is found to be extremely suspect by the author, who in her second book, "The New Money System," analyzes UPC bars so that believers may avoid any products that bear a "666."

"People who are into satanism spiritualize negatively almost everything in the world with which they don't agree," Rev. Jerry Falwell said in commenting on these ideas. "They are sincere, but very deceived."

Procter & Gamble and other companies who may find themselves in a similar situation will have a tough time persuading these Christians they are innocent of satanism. As the young lady in the Southwest said, "A company could put something [such as a logo] together and not know it is satanic. Satan could be working through them and they wouldn't necessarily know it. But I'll tell you one thing. What's happening to Procter & Gamble now was going to happen one way or the other because of that symbol." #



A scenario for satanism?

P&G rumor campaign

(Continued from Page 1)

senior vp at Drexel Burnham Lambert and probably the country's foremost P&G watcher. In previous P&G administrations, such a "gutsy move" probably wouldn't have been made, Mr. Segalas said.

Whether the "gutsy move" was called for, and wisely executed, is another matter. Mr. Segalas said his retail contacts tell him the company has suffered no loss of sales due to the rumors. He also notes that he has received only one phone call on the satanism rumor, and that was before P&G took its battle public. "Generally," he said, "when P&G burps, I get phone calls."

P&G says the strategy was necessary, claiming that phone calls to the company's toll-free number (listed on all P&G products, usually near the moon-and-stars logo that is the genesis of the rumors) concerning the rumors reached 15,000 in June.

The company also claims the strategy is working, citing, primarily, a sharp falloff in calls in July, to about 6,000. Authorities on company rumors differ on whether a decline in phone calls is an accurate indication of a rumor's strength.

"The problem is that the phone calls are from 'friends,'" said Frederick Koenig, Tulane University professor of social psychology. "They're not a direct count of people who are hearing the rumor, but it's an indicator." Ralph Rosnow, Temple University psychology professor, said his "guess" is that P&G had handled the rumors "intelligently," but he doesn't put much stock in phone calls as a barometer. "The fact that phone calls aren't coming in doesn't mean a damn thing," he said.

Numerous grocery-trade sources interviewed by AA expressed doubt about P&G's strategy, saying they had detected no decline in sales of P&G products and that the rumor was so far-fetched it could have easily been ignored. "I don't think people are that naive," said the manager of an Alabama Piggy-Wiggly. "I don't think people with any intellect would believe it. There have been no returns at our stores."

"I think it's ridiculous," said a store manager in Mississippi, echoing what appeared to be a clear majority opinion. "If they'd keep quiet, it'd go away."

Analysts from SRI Research Center, Lincoln, Neb., which at AA's request conducted a telephone survey of a random sample of 1,264 Americans 18 or over, say their results indicate P&G indeed may have been better advised to avoid a national publicity campaign to counter the rumor, or, at most, to confine its public efforts to refute it to the South, where awareness of the rumor and belief in it—though slight—are clearly higher than they are in the rest of the country. Other companies afflicted with rumors typically have fought them on a regional basis.

In the poll, conducted from July 29 through Aug. 3, SRI found that 32% of all Americans are aware of the rumors versus 42% of people in the South who are aware of them. About 3% of all the respondents said they believed the rumors; 5% of those in the South believe them. Nationally, 21% said they weren't sure whether they believed the rumor, compared with 27% who felt that way in the South.

Of those who believe the rumor or said they aren't sure if they do, 17% said they were curtailing their purchases of P&G products. But only 5% of all those aware of the rumor—equal to only 1.6% of all the respondents—said they are buying fewer P&G products. (This

was offset, moreover, by 1% who said they are buying more P&G products.) Some 94% of those aware of the rumor said it hasn't caused any change in their buying of P&G products.

In what is probably the most stunning finding of the survey, the vast majority of Americans don't know what P&G makes anyhow: 79% said they couldn't name a P&G product. Another 6% said they didn't think they ever buy any P&G products. In addition, a number of those who thought they could name a P&G product incorrectly named that of a competitor.

The surprising lack of awareness of just which products are P&G's suggests that people who do believe the rumor and would like to organize a P&G boycott would have an enormous task on their hands.

It also suggests that P&G's rumor-fighting approach, which emphasized the corporate name and identity and downplayed individual products, was a questionable one that was inconsistent with the company's longtime marketing strategy.

Though in recent years the

involved in a controversial issue?" Of those who said yes, a surprisingly low 53% said it was satanism, devil worship or anything similar.

The 47% who were aware of other controversies most often mentioned the company's problems with its Rely tampons or labor disputes, particularly a strike at a P&G Kansas City plant. (In a development related to that strike, the 6.5 million-member International Chemical Workers' Federation said last week its worldwide boycott of P&G brands in support of the Kansas City strikers "is beginning to hurt" and called on affiliated unions in 68 countries to run newspaper ads supporting the boycott.)

P&G launched its public campaign on June 24, when it issued a press release in which religious leaders, including the Rev. Jerry Falwell and the Rev. Donald E. Wildmon, vocal critics last year of P&G's alleged sponsorship of undesirable tv programs, were quoted as refuting any P&G connection with satanism.

The rumors had started about two years earlier; the company previously had fought them with "backgrounders" mailed to newspapers on the West Coast, where the rumor had surfaced in Action Line-type columns, and by sending



Rumored symbolism

Connected to one another, the stars form the number 666, a symbol of the Antichrist. Curly in the "sorcerer's" beard also form 666 when the logo is held up to a mirror.



P&G's explanation

The man-in-the-moon was "a popular decorative fancy" adopted in an early version of the logo in 1859. The 13 stars represent the original United States colonies.

P&G name has been more prominently associated with company products—"New from Procter & Gamble" often appears on new product packages, for example—"we're a company that believes in marketing individual brands," a spokesman said. "The company name and logo are downplayed."

One of P&G's goals in its publicity campaign presumably was to tell people who might believe the rumors that the company vehemently denies them. But according to the SRI poll, P&G has been far more effective in getting its denials to people who already feel that P&G has nothing to deny. Of those who said they don't believe the rumor, 83% said they had read, seen or heard of the company's denials. But nearly half—46%—of the people who said they believe the rumors or aren't sure whether they believe them also said they weren't aware of any company denials.

While P&G seems primarily concerned with the satanism rumors, there is evidence that P&G might have some other pr brushfires to douse. In an early question in the poll, before interviewers brought up satanism, respondents were asked simply if they were aware "of anything about Procter & Gamble being in-

letters to 67 national religious leaders and, later, to 48,000 religious organizations, alerting them to the problem. P&G decided it had to go public, it says, after the number of phone calls soared in June.

The SRI poll found that people aware of the rumor were almost as likely to have become aware of it after June 24—the big campaign's kickoff date—as before: 43% said before and 46% said after. However, 50% of the people in the South who were aware of the rumor heard of it before June 24, compared with 34% in the Northeast and 33% in the central north-east states.

Word of mouth has been a far more potent medium of the rumor in the South than elsewhere; there, 32% of those aware of the rumor heard it by word of mouth in church, more than learned of it either in newspapers or on tv. In all other parts of the country, newspapers were the primary source of awareness of the rumor.

Given the apparent impact of face-to-face communications on the rumor in the South, some observers suggest that P&G would have been wise to dispatch company representatives to specific rumor hotbeds to meet personally with community groups, as

McDonald's Corp. did with the worms-in-the-hamburgers rumor a few years back. P&G did none of this, a spokesman said.

Instead, P&G, as is its wont, decided to handle matters in its own way. The company chose to rely on the mass media. It did so by issuing press releases, first about the ministers' debunking of the rumors, and then by getting stories in certain newspapers.

The company called in reporters for the *Chicago Tribune* and the *New York Times*, both of which ran prominent stories on P&G's

battle.

The company also vetoed the idea of running advertisements refuting the stories, as other rumor-plagued companies have done, usually in areas where the rumors were particularly hot. "The people who are asking questions would not put a whole lot of credibility in ads coming from us," a spokeswoman said. "That's why we've gone to a third party."

Asked if the company was pleased with the *Tribune* and *Times* stories, a spokeswoman said, "Yeah, we liked them." The com-

pany added that it has received "pages and pages" of press coverage, as well as substantial network tv coverage.

A company pr executive appeared on "Good Morning America" after the media storm broke, but P&G hasn't gone on the Phil Donahue show yet, because that's where most of the rumors say a P&G "owner" or executive first came out of the closet with the company's supposed support of satanic cults.

By not going on "Donahue" a spokeswoman explained, "We

could still say no P&G official has ever appeared" on the show. Company salesmen have been passing out letters, mostly to store managers, in which "Donahue" producer Multimedia confirms that nobody from P&G has appeared on the show.

P&G occasionally touched base with McDonald's on handling its problem, but for the most part it eschewed the use of any of the outside authorities frequently summoned by other companies. (The company has hired private investigators in various cities to track

down rumor spreaders.) Neither Tulane's Mr. Koenig nor Temple's Mr. Rosnow, perhaps the foremost independent authorities on company rumors, were consulted by P&G.

The filing of lawsuits accompanied by heavy publicity is another P&G innovation. Most observers assume that the company is using the suits as a combination pr ploy and scare tactic. Pressing the suits, it's suggested, would merely keep the rumors alive and possibly stir up potentially embarrassing publicity for the company. One of the defendants sued by P&G, for example, has said that he will demand the company prove in court that it does not worship the devil.

P&G claims to be serious about the litigation. "We're interested in stopping these people, and we're hoping that by taking legal action it will make people stop and think before passing the rumor on," a spokeswoman said. "We intend to pursue those [lawsuits] to the end." She added that the company is "still investigating leads" for possible additional suits. #

Why religious leaders aided P&G

If the events of the past six weeks are any indication, the maxim about strange bedfellows holds true for religion and business as well as politics.

That the Reverends Jerry Falwell and Donald Wildmon came to the side of Procter & Gamble to battle the rumors of its link with devil worship is an ironic chapter in the saga of their crusade to purge tv of sex and violence.

It was only a year ago that Rev. Falwell, leader of the Moral Majority, and Rev. Wildmon, exec director of the National Federation for Decency, were waging war on major advertisers and threatening to boycott their products. More recently their efforts have focused on combating sex, violence and profanity and on promoting Christian values.

Revs. Falwell and Wildmon, who called for a stop to the spread of the rumors in P&G's June 24 kick-off press release, independently contacted the company to offer their assistance, P&G said.

In a March 30 letter to chairman Owen Butler, Mr. Wildmon offered his services in halting the spread of the rumor and enclosed a copy of a notice he had run in the *NFD Informer* headlined, "Procter & Gamble Rumor Not True." The letter was unsolicited,

P&G said.

Mr. Falwell discussed the problem with Mr. Butler personally last April when the P&G chairman spoke to students at the Lynchburg, Va.-based Liberty Baptist College. Mr. Falwell is affiliated with the college; Mr. Butler hails from Lynchburg.

Aware of their interest and support, P&G later contacted the two ministers and several other religious leaders and asked for the statements it was to use in its press release.

According to P&G, there is no relationship between the cooperation of Revs. Falwell and Wildmon and a speech given by Mr. Butler in June, 1981, in which he reiterated P&G's commitment to cleaner programming—a cause which the two religious leaders espouse vehemently. That speech is widely credited with getting the company—and to some extent the industry—off the hook as far as a boycott was concerned.

"I don't see any connection," a spokeswoman said. "This [Mr. Butler's speech] was last year, before the satanism thing became such an issue." Although the rumor was around at the time of the June, 1981, speech it was not a significant problem, she said. She noted that a relationship existed to the extent that contact had already been established between

the company and the two ministers.

According to P&G, the church representatives received no monetary compensation for their help. Rev. Falwell has held press conferences and discussed the rumor on radio and tv and at pastoral conferences; Rev. Wildmon's letter has been circulated widely by the P&G sales force.

■ Frederick Koenig, professor of social psychology at Tulane University, New Orleans, who is writing a book called "Rumor in the Marketplace," had another insight. "I suspect a minor reason [for their help] is P&G has been more than cooperative about sex and violence in tv," he said. "This makes people like Falwell regard them [P&G] as decent people."

Mr. Koenig also suggested that Revs. Falwell and Wildmon "don't need this satanism thing. They don't want to be associated with this lunatic fringe."

Ralph Rosnow, a psychology professor at Temple University, Philadelphia, and author of "Rumor and Gossip," commended P&G for enlisting the aid of the religious leaders. "I think it was a good idea," he said. They have credibility. They're not associated with the company. #

Ideal Publishing seeking a buyer

By STUART J. ELLIOTT

NEW YORK—Operating under federal bankruptcy court protection since September, Ideal Publishing Corp. hopes it soon can arrange to repay its creditors by being acquired by another publishing company.

If current negotiations are successful, said Ideal's attorney, James Beldner of Siegel Sommers & Schwartz, Ideal would become a subsidiary of the other publishing company after it obtained the funds needed to settle with its creditors. Mr. Beldner declined to identify the prospective buyer.

He estimated it would cost the other company between \$700,000 and \$750,000 to fund Ideal's settlement with creditors, which include World Color Press, Goshen Litho, Kimberly-Clark Corp. and Boise Cascade-Canada.

■ When Ideal filed for reorganization last Sept. 28 under Chapter 11 of the Federal Bankruptcy Act, it listed \$950,000 in assets and \$1.9 million in debts owed to about 280 unsecured creditors. Chapter 11 enables a company to continue in business while it arranges a plan to repay its creditors.

Ideal published more than 24 monthly, every-other-monthly, quarterly and annual magazines, including *Country Music*, *Day Time Stars*, *Hair Styles*, *Intimate Stories*, *Personal Romance*, *Soap Opera* and *Teen Beat*.

At one time, Ideal was one of the largest publishers of romance, teen, fan and movie magazines. But it has not escaped the slump that has hit most books in these categories.

Shortly after going into Chapter 11, Ideal discontinued all but 11 publications, Mr. Beldner said, "to try to get rid of unprofitable situations." About seven or eight still

were being published when operations were suspended with the magazines' August issues, Mr. Beldner said. If the other publishing company agrees to fund Ideal's creditor settlement, Mr. Beldner said, it would buy those titles, which include *Teen Beat* and some of the romance magazines.

Ideal and its parent company, International Enterprises, are

owned by John Krach and Jeffrey Stein, each of whom has 50% of the stock.

Last May, one of Ideal's creditors, Colorscan Services, filed a motion to convert the Chapter 11 proceedings to Chapter 7, which would require Ideal's immediate liquidation. A hearing on the motion was scheduled for July 29, but was adjourned to Sept. 30. #

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The International Newspaper of Marketing • In Two Sections, Section 1.

August 16, 1982

Foote tells of bizarre FCB birth

In an exclusive interview in this week's ADVERTISING AGE Magazine, Emerson A. Foote for the first time publicly discusses his colorful and controversial advertising career.

The 75-year-old adman—whose ad exploits were fictionalized in the popular book and movie of the late 1940s, "The Hucksters"—had a career that included time at the top with

Lord & Thomas' Albert D. Lasker, the bizarre birth of Foote, Cone & Belding, its voluntary resignation of the then-huge American Tobacco account, Mr. Foote's own struggle against mental illness, his ouster from FCB and his eventual climb back to the executive suite at McCann-Erickson, alongside Marion Harper. See Page M-2.

Pillsbury tries soft ice cream

By JANET NEIMAN

Pillsbury Co. will attempt to broaden its stake in both the dessert market and frozen foods with a soft-serve dairy dessert, set to begin testing in September under the name Spooners Soft Serve.

The company has been researching the potential for the product for about two years (AA, June 14). Spooners, in vanilla, chocolate and strawberry flavors, will be sold in rectangular half-gallon cartons.

Test markets are said to be Erie, Pa., and Fort Wayne, Ind.

Soft-serve frozen desserts typically contain between 24% and less than 10% butterfat, qualifying as ice milk; ice cream must contain at least 10% butterfat.

Spooners' primary ingredient is skim milk, and is considered meliorine (which substitutes vegetable fat for animal fat). The product has the nutritional value of ice cream. Pillsbury said it "approximates the texture of soft-serve" desserts sold

primarily through foodservice outlets.

Though frozen desserts represent a new category for the Minneapolis company, Pillsbury is entrenched in both the frozen food (Green Giant, Totino's) and dessert (cake mixes, etc.) segments.

One food industry observer noted that the company's Burger King unit, which now offers no soft-serve items to compete with McDonald's cones and sundaes, "would be a natural outlet for them." So, he speculated, might the company's Poppin' Fresh Pie Shops. A Pillsbury spokesman, however, insisted the consumer food and restaurant groups—and their respective products—are kept "very separate."

According to an executive of Taylor Freezer Co., a unit of Beatrice Foods that markets soft-serve equipment, many small foodservice stands that specialize in soft-

(Continued on Page 74)

Yellow Pages, info service affected

AT&T pact revised

By ROBERT RAISSMAN
and STUART EMMRICH

Federal Judge Harold H. Greene offered some good news to the newspaper industry and to local telephone companies last week. He said American Telephone & Telegraph should wait seven more years before starting any electronic information service and proposed that the \$3 billion Yellow Pages business should remain with local phone companies.

The impact of this proposal on Yellow Pages advertisers and their agencies is at this time "hard to evaluate," according to James Mooney, chairman of the Yellow Pages committee of the American Assn. of Advertising Agencies. "We were looking forward to some standardization of procedure under AT&T," Mr. Mooney said. National advertising, which makes up \$380 million of Yellow Pages total sales, would be affected more than local and regional advertising. Regulations in this area "have been getting a little loose," and could get looser, indicated Mr. Mooney, vp-director of corporate services at Al Paul Lefton Advertising, Philadelphia.

ing, Philadelphia.

Under the current system, although AT&T has been prohibited from issuing directives to its subsidiary companies on how to handle national accounts, it could still make suggestions that most companies would follow, Mr. Mooney said. The seven Bell publishers of Yellow Pages handle about 86% of the national business, he said. If these companies now operate "with their own rules and regulations, I don't know what's going to happen."

The National Yellow Pages Service Assn., whose members include 146 publishers of telephone directories and 106 sellers of Yellow Pages advertising, is one vehicle for standardization of national advertising regulations. But the question is still open as to whether the Bell companies, which are not now members of this group, would join, Mr. Mooney said.

Judge Greene, in federal district court in Washington, accepted the framework of a proposed Justice Department-AT&T antitrust settlement insofar as it permits AT&T to spin off its 22 local telephone subsid-

(Continued on Page 73)

FCB may be on way out; Saatchi in?

British Air reviews ad plans

By HOWARD SHARMAN
and DENNIS CHASE

LONDON—British Airways, faced with soaring losses of up to \$500 million annually, last week canceled all ad placements in Time and is re-examining all of its advertising and marketing plans, probably including its relationship with Foote, Cone & Belding.

"This is highly unusual," said a source at Time. "Companies may switch agencies but they usually keep their advertising program intact, especially in the second half

of the year, which is an important time."

The cancellation of advertising is adding to rumors flying that the troubled state-run airline is going to change ad agencies. Last week, sources at both FCB and Saatchi & Saatchi Compton refused to comment about reports that Saatchi had won the entire worldwide BA account, estimated at about \$80 million total. If Saatchi did get the account, it would probably have to resign its \$5 million British Caledonian and \$1 million Air New Zealand accounts.

Late last week FCB officials had been told nothing about it. "Everything is being looked at, including advertising," said a BA spokesman. The airline has not officially called for presentations from other agencies, but London agency sources contend there have been several agency presentations.

Early this month the new chairman of BA, Sir John King, seemed to demote longtime advertising executive Gerry Draper (AA, Aug. 9), after a previous review of the ad program, including scrutiny of

(Continued on Page 72)

last minute news

Fischer named president of D'Arcy/New York

NEW YORK—Keith Fischer, former president-chief executive officer of Avrett, Free & Fischer, has been named president of D'Arcy-MacManus & Masius/New York, succeeding William Rosenthal, who becomes exec vp on the Mars Inc. international services account for DM&M/Worldwide. No successor to Mr. Fischer has been named yet. Agency vice-chairman Marcella Free said the agency's name will be changed in about a month. Ms. Free denied a report that the agency is about to be acquired.

GOP airs spots supporting tax legislation

WASHINGTON—The Republican National Committee went on the radio during the weekend with a \$150,000 spot buy in 50 markets supporting tax increase legislation in advance of a presidential speech scheduled for Monday night. The GOP also is spending \$250,000 for 30 and 60-second tv spots in 30 major markets.

RAB vice-chairman David wins pay struggle

NEW YORK—Radio Advertising Bureau vice-chairman Miles David appears to have won his power struggle with board dissidents. The 17-year

(Continued on Page 8)

No miracle in Small Miracle: Story behind Clairol failure

By NANCY GIGES

In the late 1970s, researchers at Bristol-Myers came up with what they believed to be a breakthrough in hair-conditioning products.

Like other conditioners, it left hair soft, shiny and manageable. But "Duco," as the product was code-named, also had a characteristic that seemed to make it unique: It could last through several shampoos, or would work just as well if it was used every day.

Company executives were thrilled. Bristol-Myers' successes with new consumer products were rare in recent years; moreover, the company's Clairol haircare line was slipping. With this one product, they thought, the company could break out of its new product slump, pump new life into Clairol and, with Condition II, its other conditioning product, eventually dominate the fast-growing conditioner market, which this year should reach \$640 million in sales.

The final brand name chosen for the product aptly reflected its apparent characteristics as well as management's hopes: Small Miracle. It was launched with one of the heaviest advertising and promotion budgets in the category's history.

Today, Small Miracle languishes on store shelves without any ad support. New York-based Bristol-Myers will say nothing about its status except that,

(Continued on Page 76)



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Macro preparing end for famed 'Saturday Review'

By STUART EMMRICH

NEW YORK—Macro Communications, which over the last two years had charted ambitious growth plans for its stable of three magazines, now looks as though it might be getting out of the publishing business.

Saturday Review, the company's best-known publication, reportedly will announce its folding today. Staffers have been laid off in recent weeks; the last issue is more than a month late in reaching newsstands, and efforts to find a buyer apparently have come up empty.

Financial World, the company's money-maker, also is being shopped around, according to industry sources, with the asking

price reportedly set between \$4 million and \$6 million. At least two publishers, including the Boston-based Goldhirsh Group, have been approached, but there have been no takers. Goldhirsh president Norman Raben confirmed that he had been contacted by the investment banker Veronis & Suhler about *Financial World*, but said Goldhirsh was not interested in acquiring the biweekly publication.

And *View*, the company's 2-year-old entry in the fast-growing cable industry field, was sold recently to its founder, Jonathan Banner, for a mostly cash deal that could have brought Macro as much as \$400,000.

Robert Weingarten, Macro president, was on vacation last week and did not respond to phone calls

about the company's future. Other executives at *Saturday Review* and *Financial World* also were either out of town or declined to discuss the financial status of the magazines. And Mr. Banner, publisher and new owner of *View*, declined to talk about the over-all financial state of Macro, a company that Mr. Weingarten acknowledged several months ago was experiencing some cash flow problems because of the losses at SR (AA, May 10).

A little over a year ago, Macro completed a \$1 million-plus financing agreement with American Financial Corp. that Mr. Weingarten said would provide capital for expansion. But a Dun & Bradstreet analysis this spring called the company's financial condition "unbalanced."

A LEANER NORTON SIMON INC.

Mahoney hones game plan

By NANCY GIGES
and PAT SLOAN

NEW YORK—As Norton Simon Inc. sets out to sell its U.S. truck leasing operations and its wine business, which produces San Martin wines and distributes a number of French and Italian wines, Wall Street analysts are speculating that the company is positioning itself either to go private or to become a takeover target.

Selling off such marginal businesses would help achieve either of those objectives: It would bring in more cash for continuing the company's purchases of its own stock and it would make the company more attractive to potential suitors.

Conceding that outsiders are not quite sure where the company is headed since no one has revealed long-term corporate objectives, the analysts share the belief that NSI chief David Mahoney's game plan calls for a leaner, smaller enterprise with more

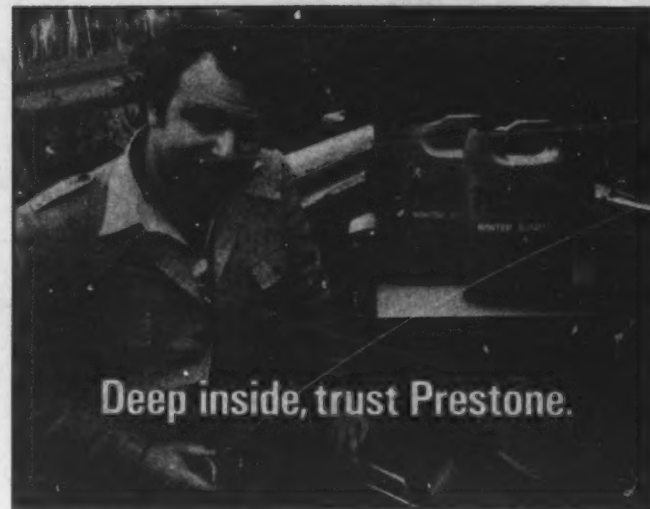
potential and fewer problems than the diversified marketer of consumer products and services now has.

The analysts note that Mr. Mahoney nowadays discusses his company in less grandiose terms than he did in his early years at the head of the conglomerate, when he proclaimed that NSI would direct its resources only toward markets offering substantial growth opportunities. When businesses turned sour, he immediately got rid of them. And when division heads fell short of growth goals, they departed.

In recent years, however, business declines were not limited to one or two subsidiaries that could easily be sold, and Mr. Mahoney has been described as becoming, by necessity, more committed to turning around ailing businesses for which he cannot find a ready buyer.

Meanwhile, analysts say, the company will continue its recent policy of using excess cash obtained

(Continued on Page 72)



Deep inside, trust Prestone.

King of the hill

One competitor in the antifreeze market estimates it would take between \$10 million and \$15 million to match Union Carbide's Prestone II in ad spending. That No. 1 brand's network tv campaign breaks in late August. Leo Burnett U.S.A., Chicago, is the agency.

Antifreeze brands jockeying for No. 2

By BRADLEY JOHNSON

Union Carbide's Prestone II is the hottest-selling product in the auto antifreeze market, and its competitors are not even shooting for the top spot.

But the struggle for the No. 2 position now held by Dow Chemical's DOWgard may get warm this fall as several companies crank up their marketing efforts.

"There are two labels in the country—Prestone and price," said Jack Glidden, product manager for transportation chemicals at Texaco Chemical Co., a major coolant supplier to auto companies and for private labels.

Union Carbide plans to break

major network tv ad support later this month for Prestone II, which the company says accounts for 81% of the coolant sold by mass merchandisers. (Aluminum-compatible Prestone II replaced Prestone in 1972).

Robert Mitchell, marketing manager for coolants at the New York-based company, said 85% of the product's ad budget will be used in the fall, with the greatest concentration in September and October. Commercials begin running on baseball and preseason football at the end of August and go through early December. The ad theme will be "Deep inside, trust Prestone." Leo Burnett

(Continued on Page 73)

highlights

Monday, August 16, 1982

National Advertising Division of the Council of Better Business Bureaus has given its approval to the controversial comparative commercials for Taylor California Cellars wines. See Page 10.

The MacBride Report, calling for a new world information order, was ignored by UNESCO at its meeting in New York earlier this month. See Page 12.

Newspapers around the country increasingly are looking to develop their own shared-mail programs. See Page 14.

Average profits as a percentage of revenue for magazines were higher last year than in 1980, according to the Magazine Publishers' Assn. See Page 24.

Expecting a slow rise in the sales of rear-projection tv, marketers are playing a light-spending game in advertising the product. See Page 29.

Pet and Pillsbury both are about to roll national with uniformed pie dough, targeting the large segment of bakers who start from scratch. See Page 32.

Attempting to stem sliding sales, the National Coffee Assn. is planning a generic campaign to promote coffee drinking. See Page 34.

Though growth is leveling

and the market is glutted, new publications aiming at the women's market still are arriving on the scene in Japan. See Page 39.

Conde Nast will offer advertisers two sets of frequency discounts for group buys in its magazines. See Page 71.

Loews Corp.'s Lorillard division has moved its \$15 million True cigaret and smokeless tobacco brands to Dancer Fitzgerald Sample from D'Arcy-MacManus & Masius. See Page 74.

General Electric will fold its Advertising & Sales Promotion Operation unit as part of a communications realignment. See Page 74.

ABC expects a gain of more than \$100 million over last year in daytime upfront sales. See Page 76.

Broadcast Cable Reports says advertisers spent \$38 million in the second quarter on the four catv networks they measured, representing a 21% increase over the first quarter. See Page 76.

CORPORATE CLOSEUP

Following a major divestiture plan started two years ago, Borden's consumer products chief

has departed from the past and is running the business with a dramatically different philosophy. See Page 4.

VIDEOTECH

NBC has ordered two sitcoms as backup series from producers who formerly worked with NBC chairman Grant Tinker when he headed MTM Enterprises. See Page 48.

Movie channels offered in hotel rooms have become the lodging industry's fastest-growing amenity—and one of the newest battlegrounds for rival programmers. See Page 50.

Quantiplex, the research subsidiary of John Blair & Co., plans to add radio to its tv and newspaper reports this fall. See Page 54.

A.C. Nielsen Co. is about ready to implement its long-standing plan to boost its national sample size in an effort to more

accurately reflect viewing tastes. See Page 54.

MAGAZINE

For the first time, Emerson Foote publicly discusses the bizarre birth of Foote, Cone & Belding, his longtime battle with mental illness and his eventual comeback as a top agency executive. See Page M-2.

Increase your response rate by using envelopes wisely. Bob Stone in his column "Direct Marketing," discusses a few creative ideas for return envelopes. See Page M-43.

SPECIAL REPORT

The liquor distributor has occupied one of the hottest spots in the industry since the days of Prohibition, and it's a spot that's increasingly more difficult to keep. See Page M-7.

REGULAR FEATURES

ACCOUNT CHANGES	68
ADVERTISING MARKETPLACE	63
AGENCY PEOPLE	40
CON-SID-ERATIONS	16
CORRECTIONS & CLARIFICATIONS	6
EDITORIAL VIEWPOINT	16
FOR THE RECORD	71
GETTING PERSONAL	20
OBITUARIES	6

PHOTO REVIEW	22
PRESSTIME	6
REGIONAL NEWS	52
RESEARCH BEAT	44
RESEARCH PEOPLE	46
SIDEBARS	36
VIDEOTECH UPDATE	58
VOICE OF THE ADVERTISER	62
WORLD NEWS ROUNDUP	3

Vol. 53, No. 34—ADVERTISING AGE (ISSN 0001-9899) is published weekly except semi-weekly the fourth week in March, the second week in September at 740 Rush Street, Chicago, IL 60611. Second-class postage paid at Chicago and additional mailing offices. Send address changes to ADVERTISING AGE, Circulation Department, 740 Rush Street, Chicago, IL 60611.

'News' future brighter

By STUART EMMRICH

NEW YORK—For the first time in more than nine months, the future of the *New York Daily News* looks as though it might be secure.

Although *Daily News* executives said late last week that they have yet to reach formal contract and wage concession agreements with three of the paper's 11 unions—the mailers, the pressmen and the drivers—they said enough progress had been made to make them highly optimistic about working out a suitable pact within the next few days.

"Things are very close," said *News* vp-advertising and marketing Art Wible, adding that while both sides have agreed verbally on the substantive parts of the negotiations, it would take several days to work out final details and to get them into writing.

"We've come this far—working through all hours of the night—that we want to get it all down in writing so that both sides agree they have agreed on the same things," Mr. Wible said.

If they have, then it will signal an end to nine months of an emo-

(Continued on Page 72)

By Don Veraska

Was 1981 a watershed year in the two-decade-old trend that has American drinking tastes turning from brown to white liquors?

There is some statistical evidence to suggest just that, and there are those in the industry who support the theory. But opinions are far from unanimous: Some take the opposite view; others suggest that any such projections are speculative. One industry executive asserts

Don Veraska is a business writer based in Washington, D.C.

Good times—for some

that any attempt to draw conclusions from less than a three-year period is sheer nonsense.

There's even some question about the statistics. Those of the industry association, the Distilled Spirits Council of the United States (DISCUS), differ in many instances from those of private companies in the business of providing figures and projections to the industry.

Nevertheless, some generalizations can be drawn.

As recently as 1960, whiskies

—bourbons, blends, Scotch, Canadian and Irish—represented 74% of the U.S. market, while the whites—gin, vodka, rum and tequila—totaled only 19%. A decade later, browns were at 63% and whites were 27%, and by 1980 the figures were 45.6% and 39.3%.

But from 1980 to 1981, browns dropped only 0.5%, to 45.1%, while bourbon, Scotch, Canadian and Irish whiskies actually showed small increases in their share of the total market. In the

same period, whites gained only slightly, from 39.3% to 39.8%, with gin down and vodka, rum and tequila showing only modest increases.

Those are DISCUS' figures. Numbers from *Impact*, a marketing publication in the wine and spirits industry, showed whiskies dropping from 45% to 44.5% from 1980 to 1981, while in the same period whites also dropped, from 39.5% to 39.4% of total market share.

According to *Impact*, gin, vodka and rum showed losses, with only tequila increasing its share of the market.

There appears to be solid agreement on only a few major points:

- The distilled spirit business in the past decade has become a no-growth industry, while wine and beer continue to gain.
- There are a number of individual brands within the industry whose fortunes are soaring.
- Blended whiskies, once the mainstay of the industry, have become and will continue to be a poor sister, with less than a third of the market share they enjoyed just two decades ago.

Emil Pavone, vp for public relations with National Distillers, New York, cautiously predicts a continued decline in blended whisky sales, a modest growth in bourbons and a leveling-off in white liquors within the next four or five years.

All in all, he said, the relative market shares of whites and browns should remain at essen-

tially their present levels for the foreseeable future.

But, Mr. Pavone warned, the science of predicting trends in the consumption of hard liquor is anything but exact.

"Somebody would have made a face at you not too many years ago if you'd suggested a drink of tequila," he said. "Now they are drinking it."

"Spirits have a way of waxing and waning. Tastes are closely related to fashions. There are just too many variables in the picture that can so easily alter things. For instance, the only reason we talk about brown vs. white, about white liquors encroaching on browns, is our utter surprise that something would come along and bite off a big chunk of the traditional market for whiskies, which people have been drinking in this country for hundreds of years."

In short, he said, "You just can't be sure why a product is doing well or poorly."

Equally cautious is William Kling, director of economic statistical research at DISCUS. "The production and marketing people in the industry have to make some projections," he said. "But it's a guessing game. Just look at the oil industry, the automobile industry. Some people can be very brave. But I have too much experience in seeing how people can fall on their faces—especially when you are dealing with human taste."

"I shudder at the idea of making projections. It's like trying to figure out whether women's skirts will get longer or shorter. You might as well connect it to sunspots."

Paul Farber, a senior execu-

Share of market trend—distilled spirits entering U.S. trade channels by type

Type	1960	1970	1975	1980	1981
Bourbon	29%	22%	17%	14.3%	14.4%
Blends	31	19	13	8.8	7.8
Scotch	9	13	13	10.2	10.3
Canadian	5	9	11	11.6	11.9
Irish	—	—	—	0.1	0.2
Total whisky	74	63	54	45.0	44.5
Gin	9	10	10	9.4	9.3
Vodka	8	13	20	21.4	21.3
Rum	2	4	4	7.1	7.1
Tequila	—	—	1	1.5	1.7
Total white goods	19	27	35	39.5	39.4
Brandy	3	4	3	4.2	4.3
Cordials & liqueurs	—	—	—	9.1	10.0
Cocktails & mixed drinks	—	—	—	2.2	1.8
Total specialties	7	10	11	15.5	16.1
Total distilled spirits	100%	100%	100%	100.0%	100.0%

Source: Impact Databank, Impact Wine and Spirits Newsletter, New York, June 15, 1982.

Distilled spirits entering U.S. trade channels by type (millions of gallons—rounded)

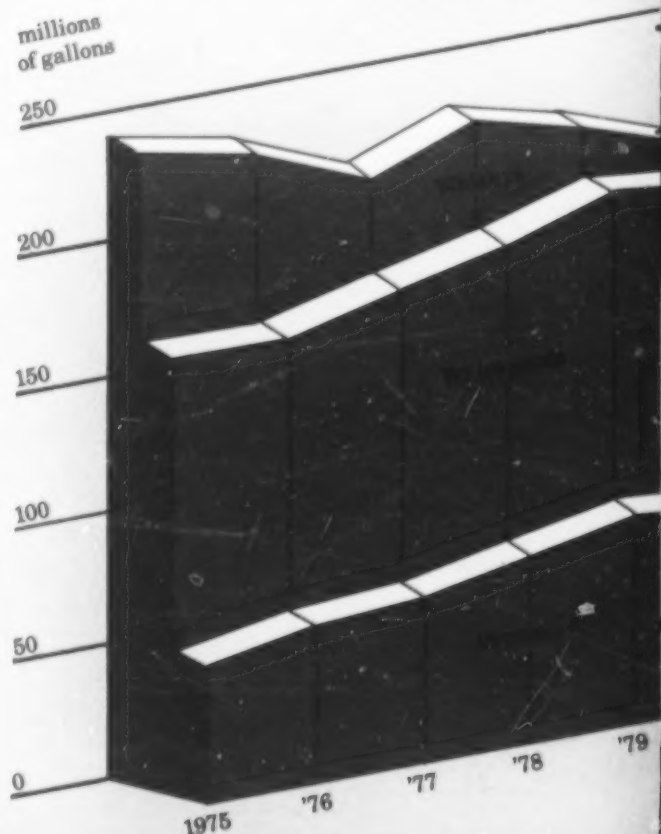
Type	1960	1970	1975	1980	1981	Average annual compound growth rate		Per cent change	
						1960-70	1970-75	1975-80	1980-81
Bourbon	69	85	77	66	66	2.1%	-2.0%	-3.0%	0.8%
Blends	74	74	58	40	36	—	-4.8	-7.2	-10.9
Scotch	21	52	56	47	47	9.6	1.6	-3.5	1.2
Canadian	13	34	49	53	55	10.4	7.7	1.7	2.6
Irish	*	*	*	*	1	—	—	—	62.7
Total whisky	177	245	240	207	205	3.3	-0.4	-2.9	-0.8
Gin	23	39	44	43	43	5.4	2.4	-0.5	0.1
Vodka	19	50	87	98	98	10.2	11.7	2.4	-0.4
Rum	4	14	18	33	33	13.3	5.2	12.9	-0.6
Tequila	*	1	7	7	8	+	43.1	1.2	11.2
Total white goods	46	104	155	181	181	8.5	8.3	3.1	0.1
Brandy	6	15	15	19	20	9.6	—	4.8	5.2
Cordials & liqueurs	NA	NA	NA	42	46	—	—	—	9.9
Cocktails & mixed drinks	NA	NA	NA	10	8	—	—	—	-19.9
Total specialties	16	39	51	71	74	9.3	5.5	6.8	4.3
Total distilled spirits ¹	240	388	446	459	460	4.9%	2.8%	0.6%	0.4%

¹Less than 1/2 million gallons.

²Addition of columns may not agree because of rounding.

Source: BATF, NABI, Impact Databank, Impact Wine and Spirits Newsletter, New York, June 15, 1982.

Distilled spirits mark 1975-1981



Source: Impact Wine and Spirits Newsletter, New York, June 15, 1982, Impact Databank.

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